

March 14, 2012

ITEM NO. 4

**AUTHORIZATION TO ENTER INTO A CONTRACT WITH N.F. DEMOLITION, INC.
FOR DEMOLITION AT 515 W. OAK STREET**

To the Honorable Board of Commissioners:

RECOMMENDATION

It is recommended that the Board of Commissioners authorize the Chief Executive Officer or his designee to enter into a contract with N.F. Demolition, Inc. in the amount of \$220,535.00 for demolition services at 515 W. Oak Street in Chicago, IL. Work is to be completed by no later than ninety (90) calendar days from the date set forth in the Notice to Proceed.

RECOMMENDATION SUMMARY

Funding: General Fund

Specification Number:	Invitation for Bid (IFB) 11 – 00861
Date Advertised:	December 14, 2011
Pre-Bid Conference:	December 19, 2011
Site Visit:	December 19, 2011
Addendum No. 1 Issued:	January 6, 2012
Date Bids Opened:	January 19, 2012
Advertisement Publication(s):	Chicago Sun-Times, Chicago Defender, El Dia, CHA Website, BuySpeed Online
Number of Vendors Solicited:	995 (including 465 M/W/DBE firms)
Number of Assist Agencies:	71
Number of Pick-ups:	0
Number of Downloads:	3
Number of Bids Received:	3
Contract Type:	Demolition Services
Contract Time:	Ninety (90) calendar days from the date set forth in the Notice to Proceed
Contract Amount:	\$ 220,535.00
Vendor:	N.F. Demolition, Inc. 16W050 Jeans Road Lemont, IL 60349 (630) 789-8340

M/W/DBE Participation:Direct MBE 33 % WBE 0 % DBE 0 %**Section 3:**Hiring # 1 Subcontracting \$ _____ Other Economic Opportunities _____**GENERAL BACKGROUND****Original Acquisition**

On June 21, 2011, the Board of Commissioners authorized the Chicago Housing Authority (CHA) to acquire 515 West Oak Street, Chicago, Illinois as part of ongoing redevelopment and revitalization efforts on and around the former Cabrini-Green public housing sites. The 0.225-acre site includes an abandoned and deteriorating church building that has sat vacant for approximately ten years. The site lies directly to the north of the Cabrini Row Houses.

At the time of acquisition, the CHA's appraiser attached a value to the land underlying the church at \$840,000.00, and reduced the property's value by his estimated demolition cost of \$125,000.00, leaving a net value of \$715,000.00. The CHA further negotiated the actual purchase price down to \$604,175.00 to ensure that the CHA recouped the entire cost of the intended demolition of the building. The total cost to the CHA of the acquisition plus demolition is \$824,710.00, \$15,290 less than the land's appraised value (\$840,000.00).

Demolition Process

Deteriorating brickwork presents a hazard, necessitating the installation of a canopy around portions of the building to protect the public. The seller committed to bearing the cost of the canopy through May 31, 2012. Given its condition and the desire to clear the site for future redevelopment, CHA staff immediately began the process of demolition upon acquisition of the structure, including design work and demolition contractor solicitations. The CHA has worked with the City's Building Department to work out a schedule for demolition. Demolition must commence by May 31, 2012 or the City's Building Department could start to assess fines. The CHA also negotiated with seller to install canopies around the building through May 31, 2012 at the seller's expense.

The Chicago Housing Authority ("CHA") advertised Invitation for Bid No. 11 – 00861 (the "IFB") for demolition services to raze the building in December of 2011. The demolition process will include, but not be limited to, the following: (a) mobilizing equipment, (b) securing site fencing, (c) coordinating street and/or sidewalk closures, (d) providing security, (e) securing permits, approvals, and authorizations, (f) performing abatement and disposing of all hazardous materials, (g) removing all trash and debris, (h) providing site extermination, (i) performing utility terminations, (j) performing structural demolition, (k) filling, grading and restoring the site, and (l) hydro seeding for new grass. The demolition process will have a duration of no more than 90 days.

PROCUREMENT HISTORY

The CHA advertised the IFB on December 14, 2011. The IFB was advertised in the Chicago Sun-Times, the Chicago Defender, El Dia, on the CHA website and on BuySpeed Online. The Pre-Bid meeting and Site Visit were held on December 19, 2011. One (1) addendum was issued for this solicitation on January 6, 2012 to respond to Requests for Information. The CHA received and opened three (3) bids on January 19, 2012.

After performing an initial review of the bid submittal materials to determine if they were complete, the Department of Procurement and Contracts ("Procurement") and the Capital Construction Department ("CCD") held a pre-award survey/clarification meeting with the apparent low bidder, N.F. Demolition, Inc. (N.F. Demolition). A Compliance Specialist reviewed the firm's compliance materials in detail. N.F. Demolition's MBE Participation is 32.9% and they will hire one (1) Security Guard to meet their Section 3 requirements. The representatives of N.F. Demolition responded to questions on the thoroughness of their bid, how they developed their Division Costs, the amount of work they planned to self-perform, and the methods they would use to ensure the safety of the community during the demolition activities.

The CHA's past experience with N.F. Demolition includes satisfactory completion of multiple CHA demolition projects. They have been awarded \$3,475,888.00 in demolition work through competitive solicitations since 2004. Their financial status has been reviewed and deemed acceptable based on an analysis of their Dun & Bradstreet report and financial statements. N.F. Demolition has no liens, judgments or bankruptcies in its financial record.

Having completed its review of the bid materials of the apparent low bidder, the staff of the CCD recommends that N.F. Demolition be awarded a contract for this demolition work. Procurement has completed its own review of the bid materials and CCD's recommendation and has determined that N.F. Demolition is the lowest responsive and responsible bidder at \$220,535.00.

Based on the foregoing, the CCD recommends that the Board of Commissioners authorize the Chief Executive Officer or his designee to enter into a contract with N.F. Demolition, Inc. in the amount of \$220,535.00 for the demolition of 515 W. Oak Street in Chicago, IL. Work is to be completed by no later than ninety (90) calendar days from the date set forth in the Notice to Proceed.

This award is subject to the Contractor's compliance with the CHA's MBE/WBE/DBE, Section 3 resident hiring, and bonding and insurance requirements.

RESOLUTION NO. 2012-CHA-20

WHEREAS, the Board of Commissioners has reviewed the Board Letter dated March 14, 2012, entitled "AUTHORIZATION TO ENTER INTO A CONTRACT WITH N.F. DEMOLITION, INC. FOR DEMOLITION AT 515 W. OAK STREET";

THEREFORE, BE IT RESOLVED BY THE CHICAGO HOUSING AUTHORITY

THAT the Board of Commissioners authorizes the Chief Executive Officer or his designee to enter into a contract with N.F. Demolition, Inc. in the amount of \$220,535.00 for demolition services at 515 W. Oak Street in Chicago, IL. Work is to be completed by no later than ninety (90) calendar days from the date set forth in the Notice to Proceed.

This award is subject to the Contractor's compliance with the CHA's MBE/WBE/DBE, Section 3 resident hiring, and bonding and insurance requirements.

